

1 June 2021

Property | Real Estate

Mah Sing (MSGB MK)

Buy (Maintained)

Expect Lesser Earnings Impact During Lockdown

- **Maintain BUY and SOP-derived MYR1.22 TP, 33% upside and 5% yield.** Mah Sing's 1Q21 results were within expectations. 2H21F earnings should be much stronger, driven by contribution from the new gloves manufacturing business. 5M21 property sales have already hit MYR651m, and we think the company will still be able to achieve its MYR1.6bn target despite the total nationwide lockdown.
- **1Q21 results.** 1Q21 earnings were largely driven by all the ongoing projects. EBIT for the quarter was higher, partly due to the recognition of cost savings from the finalisation of certain recently completed projects, such as Ferringhi Residence and Phase 1 of Cerrado. Finance costs in 1Q21 were also higher, due to higher borrowings raised (at lower interest rate) after the redemption of the MYR540m perpetual *sukuk* in Mar 2020. As such, net gearing is now higher at 0.09x from 0.02x as at end-2020. Management guided that as a result of the redemption of the perpetual *sukuk*, the total coupon payment in FY21 (2Q and 3Q) would be lower at about MYR53m compared to MYR73m in FY20.
- **Sustaining sales momentum in 1Q21.** 1Q21 property sales hit MYR400m vs MYR253m in 4Q20. Key projects that contributed to sales include M Centura/Arisa in Sentul (MYR82m), M Luna in Kepong (MYR97.7m), and M Adora in Wangsa Melawati (MYR79.4m). As Mah Sing has already raked in MYR650.5m property sales from Jan-May 2021, management is maintaining its MYR1.6bn sales target for the year. We understand that while the total nationwide lockdown is expected to affect property sales to a certain extent, management indicated some buyers have already started signing their sales and purchase agreement virtually with the lawyers. Hence, the expected drop in property sales should not be too significant during this period.
- **Earnings from gloves manufacturing to kick in.** Mah Sing has already obtained all necessary licenses, pending the US Food and Drug Administration (FDA) 510(k) Premarket Notification and Conformité Européenne (CE) Marking for export to the US and European markets. The first shipment of gloves is expected to be delivered in June. Therefore, despite the lockdown, we think Mah Sing's 2Q21 results will still be held up by contribution from the gloves manufacturing segment.
- **Forecasts.** Unbilled sales increased to MYR1.73bn, from MYR1.64bn as at 4Q20. We make no changes to our earnings forecasts. Management indicated that construction works can still be carried out during this lockdown, albeit, at a reduced capacity, as most of the sites have centralised labour quarters.
- **Maintain TP.** Our TP is based on SOP: with a 75% discount applied to RNAV for the property division, 12x P/E for the plastic manufacturing segment, and 7x P/E for the gloves manufacturing segment.

Target Price (Return): MYR1.22 (+33%)
Price: MYR0.92
Market Cap: USD537m
Avg Daily Turnover (MYR/USD) 22.3m/5.46m

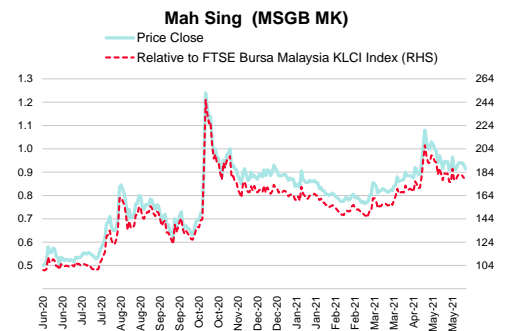
Analyst

Loong Kok Wen CFA
+603 9280 8861
loong.kok.wen@rhbgroupp.com



Share Performance (%)

	YTD	1m	3m	6m	12m
Absolute	5.2	(11.2)	15.8	3.4	96.8
Relative	7.2	(10.7)	14.7	1.4	88.6
52-wk Price low/high (MYR)				0.50 – 1.24	



Source: Bloomberg

Overall ESG Score: 3.1 (out of 4)

E: Good

Mah Sing's developments (25%) achieved more than the mandated 10% minimum requirement for green spaces. It has been awarded with 14 green certifications to date. The plastics division uses 100% recyclable plastic raw materials producing 100% recyclable products.

S: Excellent

Mah Sing contributed MYR2.1m through various programmes in 2019. It is involved in fund-raising programmes to raise funds for child protection intervention and awareness on open communications about life-limiting illness. The company also made donations to indigenous children. The Mah Sing Foundation raised funds for 10 schools and donated to support a pre-school in Kelantan.

G: Excellent

43% of Mah Sing's board members are independent. The percentage of women board members is 43% or represented by three women among the seven directors. The Chairperson is also the Senior Independent Non-Executive Director.

Note:

Small cap stocks are defined as companies with a market capitalisation of less than USD1bn.

Forecasts and Valuation	Dec-19	Dec-20	Dec-21F	Dec-22F	Dec-23F
Total turnover (MYRm)	1,790	1,531	2,140	2,408	2,337
Recurring net profit (MYRm)	215	100	274	384	319
Recurring net profit growth (%)	(20.7)	(53.4)	172.6	40.4	(16.9)
Recurring EPS (MYR)	0.09	0.04	0.11	0.16	0.13
DPS (MYR)	0.03	0.02	0.05	0.06	0.06
Recurring P/E (x)	10.31	22.13	8.12	5.79	6.97
P/B (x)	0.64	0.65	0.62	0.58	0.55
Dividend Yield (%)	3.7	1.8	5.0	6.9	6.0
Return on average equity (%)	5.7	2.9	7.8	10.3	8.1
Net debt to equity (%)	net cash	1.4	11.9	6.2	4.4

Source: Company data, RHB

Financial Exhibits

Asia	Financial summary (MYR)	Dec-19	Dec-20	Dec-21F	Dec-22F	Dec-23F
Malaysia	Recurring EPS	0.09	0.04	0.11	0.16	0.13
Property	EPS	0.08	0.04	0.11	0.16	0.13
Mah Sing	DPS	0.03	0.02	0.05	0.06	0.06
MSGB MK	BVPS	1.44	1.42	1.48	1.58	1.65
Buy	Return on average equity (%)	5.7	2.9	7.8	10.3	8.1
	Return on average assets (%)	2.9	1.5	3.8	5.0	4.1
Valuation basis	Valuation metrics	Dec-19	Dec-20	Dec-21F	Dec-22F	Dec-23F
SOP - 75% discount to RNAV, 12x PE for plastic division and 7x PE for glove manufacturing	Recurring P/E (x)	10.31	22.13	8.12	5.79	6.97
	P/B (x)	0.6	0.6	0.6	0.6	0.6
	Dividend Yield (%)	3.7	1.8	5.0	6.9	6.0
Key drivers	EV/EBITDA (x)	5.56	13.08	6.99	4.64	5.35
New property sales						
Key risks	Income statement (MYRm)	Dec-19	Dec-20	Dec-21F	Dec-22F	Dec-23F
Weaker/better-than-expected market conditions	Total turnover	1,790	1,531	2,140	2,408	2,337
	Gross profit	516	364	708	826	749
	EBITDA	312	175	395	545	460
	Depreciation and amortisation	(40)	(11)	(14)	(14)	(14)
	Operating profit	271	164	381	530	446
	Net interest	(1)	(11)	(11)	(13)	(15)
	Pre-tax profit	270	154	370	517	431
	Taxation	(68)	(50)	(92)	(129)	(108)
	Reported net profit	200	100	274	384	319
	Recurring net profit	215	100	274	384	319
Company Profile	Cash flow (MYRm)	Dec-19	Dec-20	Dec-21F	Dec-22F	Dec-23F
Mah Sing has many projects across the key states in Malaysia. The company, which adopts a fast turnaround model in property development, has both niche and township projects that underpin its earnings.	Change in working capital	(86)	110	(568)	(52)	(117)
	Cash flow from operations	157	227	(274)	354	226
	Capex	(188)	(86)	(74)	(12)	(15)
	Cash flow from investing activities	(244)	(109)	(74)	(62)	(15)
	Dividends paid	(81)	(40)	(112)	(153)	(134)
	Cash flow from financing activities	(56)	643	32	(8)	12
	Cash at beginning of period	1,220	1,063	1,156	733	958
	Net change in cash	(142)	761	(315)	284	223
	Ending balance cash	1,078	1,824	841	1,016	1,180
	Balance sheet (MYRm)	Dec-19	Dec-20	Dec-21F	Dec-22F	Dec-23F
	Total cash and equivalents	1,063	1,156	733	958	914
	Tangible fixed assets	2,191	2,266	2,325	2,323	2,324
	Intangible assets	5	5	5	5	5
	Total other assets	150	173	173	123	123
	Total assets	6,676	6,866	7,462	7,892	7,719
	Short-term debt	122	16	36	58	37
	Total long-term debt	445	1,201	1,219	1,187	1,092
	Total liabilities	1,849	2,625	3,055	3,250	2,888
	Shareholders' equity	3,489	3,440	3,602	3,834	4,019
	Minority interests	8	12	15	19	22
	Total equity	4,826	4,241	4,407	4,642	4,831
	Total liabilities & equity	6,676	6,866	7,462	7,892	7,719
	Key metrics	Dec-19	Dec-20	Dec-21F	Dec-22F	Dec-23F
	Revenue growth (%)	(18.4)	(14.5)	39.8	12.5	(2.9)
	Recurring net profit growth (%)	(20.7)	(53.4)	172.6	40.4	(16.9)
	Recurrent EPS growth (%)	(20.7)	(53.4)	172.5	40.3	(16.9)
	Gross margin (%)	28.8	23.8	33.1	34.3	32.0
	Recurring net profit margin (%)	12.0	6.6	12.8	16.0	13.7
	Dividend payout ratio (%)	40.6	40.1	40.8	39.8	41.9

Source: Company data, RHB

Results At a Glance

Figure 1: Results review

FYE Dec (MYRm)	1Q20	4Q20	1Q21	QoQ (%)	YoY (%)	Comments
Turnover	371.1	472.8	413.3	(12.6)	11.4	Revenue in 1Q21 was mainly driven by billings from M Vertica, M Centura, M Oscar, M Aruna, M Arisa etc, while the YoY growth was due to the impact of MCO 1.0 in March 2020.
EBIT	42.8	48.2	67.3	39.5	57.0	The higher EBIT in 1Q21 was largely attributed to cost savings from the finalisation of certain construction contracts
EBIT margin (%)	11.5	10.2	16.3			
Net interest	0.3	(0.6)	(11.1)	n.m.	n.m.	The higher finance cost was partly due to the impact of MFRS 123, as well as new borrowings raised after the redemption of MYR540m perpetual <i>sukuk</i> in Mar 2020
Pretax profit	43.1	47.6	56.2	17.9	30.2	
Pretax margin (%)	11.6	10.1	13.6			
Taxation	(10.4)	(17.2)	(12.3)	(28.5)	18.0	
Tax rate (%)	24.1	36.0	21.8			
Minority interest	(2.7)	(2.3)	(3.6)	54.2	35.4	
Net profit	30.1	28.1	40.3	43.2	34.0	
Core net profit	30.1	28.1	40.3	43.2	34.0	Within expectations
Net margin (%)	8.1	6.0	9.7			
EPS (sen)	0.5	0.0	1.7			
Gross DPS (sen)	0.0	1.7	0.0			
NTA/share (MYR)	1.4	1.4	1.4			

Source: Company data, RHB

Figure 2: SOP valuation

Projects	Type	Remaining land (acres)	Remaining GDV (MYR m)	Stake	NPV @ 10%
Klang Valley					
Icon City PJ	Commercial	10	1,916	100%	105.6
D'sara Sentral	Commercial	4	101	100%	12.2
Hijauan Residence	Residential	25	226	100%	10.3
Aman Perdana	Residential	54	78	100%	7.9
Garden Residence	Residential	13	76	100%	8.3
Bayu Sekamat	Residential	3	7	100%	0.7
Icon Residence MK	Residential	0	35	100%	1.5
M City Jln Ampang	Residential	0	41	100%	4.1
M Residence 1 @ Rawang	Residential	134	435	100%	47.5
M Residence 2 @ Rawang	Residential	5	48	100%	5.2
M Residence 3 @ Rawang	Residential	97	520	100%	52.2
Southville City Bangi	Residential	384	8,949	100%	603.5
Lakeville Residence	Commercial	0	69	100%	22.7
Star Residence, Subang	Residential	3	155	100%	16.9
M Centura Sentul	Residential	7	736	78%	48.7
M Vertica Cheras	Residential	11	1,053	100%	85.8
M Oscar Happy Garden	Residential	5	500	100%	37.0
M Luna Kepong	Residential	5	705	100%	52.6
M Adora Melawati	Residential	5	378	100%	30.6
M Senyum Sepang	Residential	100	656	100%	44.5
M Astra Setapak	Residential	5	618	100%	43.9
Johor					
Sri Pulai Perdana	Residential	0	2	100%	0.2
Austin Perdana	Residential	0	53	100%	5.3
Sierra Perdana	Residential	37	228	100%	23.0
Mah Sing i-Parc	Industrial	21	191	100%	17.7
Meridin @ Medini	Commercial	0	270	100%	16.7
Bandar Meridin East	Mixed township	1,246	4,421	100%	181.8
Penang					
Legenda @ Southbay	Residential	0	40	100%	3.9
Icon Residence, Georgetown	Residential	3	280	100%	23.5
Ferringhi Residence	Residential	30	512	100%	24.1
Southbay City	Commercial	21	1,475	100%	92.9
Permatang - I Parc	Industrial	17	150	100%	9.8
Unbilled sales					189.6
Total			29,142		1,830.3
Shareholders' fund (ex plastic)					4,120.6
Total RNAV					5,950.9
Discount to RNAV					75%
Discounted RNAV					1,487.7
Plastic manufacturing @ 12x FY22f PE					180.0
Glove manufacturing @ 7x FY22f PE					1,302.6
Total SOP value					2,970.3
Total share base					2,428.3
Target price					1.22

Source: RHB

Recommendation Chart



Source: RHB, Bloomberg

Date	Recommendation	Target Price	Price
2021-05-05	Buy	1.22	0.99
2021-03-29	Buy	1.02	0.82
2021-02-21	Buy	0.97	0.79
2020-11-30	Buy	1.09	0.89
2020-10-15	Buy	1.28	0.73
2020-08-04	Buy	0.91	0.70
2020-06-08	Buy	0.73	0.56
2020-05-31	Neutral	0.52	0.47
2020-03-01	Neutral	0.73	0.68
2019-11-28	Neutral	0.77	0.69
2019-09-03	Neutral	0.90	0.87
2019-05-31	Neutral	1.00	0.91

Source: RHB, Bloomberg

RHB Guide to Investment Ratings

Buy:	Share price may exceed 10% over the next 12 months
Trading Buy:	Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain
Neutral:	Share price may fall within the range of +/- 10% over the next 12 months
Take Profit:	Target price has been attained. Look to accumulate at lower levels
Sell:	Share price may fall by more than 10% over the next 12 months
Not Rated:	Stock is not within regular research coverage

Investment Research Disclaimers

RHB has issued this report for information purposes only. This report is intended for circulation amongst RHB and its affiliates' clients generally or such persons as may be deemed eligible by RHB to receive this report and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. This report is not intended, and should not under any circumstances be construed as, an offer or a solicitation of an offer to buy or sell the securities referred to herein or any related financial instruments.

This report may further consist of, whether in whole or in part, summaries, research, compilations, extracts or analysis that has been prepared by RHB's strategic, joint venture and/or business partners. No representation or warranty (express or implied) is given as to the accuracy or completeness of such information and accordingly investors should make their own informed decisions before relying on the same.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to the applicable laws or regulations. By accepting this report, the recipient hereof (i) represents and warrants that it is lawfully able to receive this document under the laws and regulations of the jurisdiction in which it is located or other applicable laws and (ii) acknowledges and agrees to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of applicable laws.

All the information contained herein is based upon publicly available information and has been obtained from sources that RHB believes to be reliable and correct at the time of issue of this report. However, such sources have not been independently verified by RHB and/or its affiliates and this report does not purport to contain all information that a prospective investor may require. The opinions expressed herein are RHB's present opinions only and are subject to change without prior notice. RHB is not under any obligation to update or keep current the information and opinions expressed herein or to provide the recipient with access to any additional information. Consequently, RHB does not guarantee, represent or warrant, expressly or impliedly, as to the adequacy, accuracy, reliability, fairness or completeness of the information and opinion contained in this report. Neither RHB (including its officers, directors, associates, connected parties, and/or employees) nor does any of its agents accept any liability for any direct, indirect or consequential losses, loss of profits and/or damages that may arise from the use or reliance of this research report and/or further communications given in relation to this report. Any such responsibility or liability is hereby expressly disclaimed.

Whilst every effort is made to ensure that statement of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable and must not be construed as a representation that the matters referred to therein will occur. Different assumptions by RHB or any other source may yield substantially different results and recommendations contained on one type of research product may differ from recommendations contained in other types of research. The performance of currencies may affect the value of, or income from, the securities or any other financial instruments referenced in this report. Holders of depositary receipts backed by the securities discussed in this report assume currency risk. Past performance is not a guide to future performance. Income from investments may fluctuate. The price or value of the investments to which this report relates, either directly or indirectly, may fall or rise against the interest of investors.

This report may contain comments, estimates, projections, forecasts and expressions of opinion relating to macroeconomic research published by RHB economists of which should not be considered as investment ratings/advice and/or a recommendation by such economists on any securities discussed in this report.

This report does not purport to be comprehensive or to contain all the information that a prospective investor may need in order to make an investment decision. The recipient of this report is making its own independent assessment and decisions regarding any securities or financial instruments referenced herein. Any investment discussed or recommended in this report may be unsuitable for an investor depending on the investor's specific investment objectives and financial position. The material in this report is general information intended for recipients who understand the risks of investing in financial instruments. This report does not take into account whether an investment or course of action and any associated risks are suitable for the recipient. Any recommendations contained in this report must therefore not be relied upon as investment advice based on the recipient's personal circumstances. Investors should make their own independent evaluation of the information contained herein, consider their own investment objective, financial situation and particular needs and seek their own financial, business, legal, tax and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as "believe", "estimate", "intend" and "expect" and statements that an event or result "may", "will" or "might" occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to RHB and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. RHB expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

The use of any website to access this report electronically is done at the recipient's own risk, and it is the recipient's sole responsibility to take precautions to ensure that it is free from viruses or other items of a destructive nature. This report may also provide the addresses of, or contain hyperlinks to, websites. RHB takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to RHB own website material) are provided solely for the recipient's convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or RHB website shall be at the recipient's own risk.

This report may contain information obtained from third parties. Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their content.

The research analysts responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. The research analysts that authored this report are precluded by RHB in all circumstances from trading in the securities or other financial instruments referenced in the report, or from having an interest in the company(ies) that they cover.

The contents of this report is strictly confidential and may not be copied, reproduced, published, distributed, transmitted or passed, in whole or in part, to any other person without the prior express written consent of RHB and/or its affiliates. This report has been delivered to RHB and its affiliates' clients for information purposes only and upon the express understanding that such parties will use it only for the purposes set forth above. By electing to view or accepting a copy of this report, the recipients have agreed that they will not print, copy, videotape, record, hyperlink, download, or otherwise attempt to reproduce or re-transmit (in any form including hard copy or electronic distribution format) the contents of this report. RHB and/or its affiliates accepts no liability whatsoever for the actions of third parties in this respect.

The contents of this report are subject to copyright. Please refer to Restrictions on Distribution below for information regarding the distributors of this report. Recipients must not reproduce or disseminate any content or findings of this report without the express permission of RHB and the distributors.

The securities mentioned in this publication may not be eligible for sale in some states or countries or certain categories of investors. The recipient of this report should have regard to the laws of the recipient's place of domicile when contemplating transactions in the securities or other financial instruments referred to herein. The securities discussed in this report may not have been registered in such jurisdiction. Without prejudice to the foregoing, the recipient is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

The term "RHB" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case, RHB Investment Bank Berhad and its affiliates, subsidiaries and related companies.

RESTRICTIONS ON DISTRIBUTION

Malaysia

This report is issued and distributed in Malaysia by RHB Investment Bank Berhad ("RHBIB"). The views and opinions in this report are our own as of the date hereof and is subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. RHBIB has no obligation to update its opinion or the information in this report.

Thailand

This report is issued and distributed in the Kingdom of Thailand by RHB Securities (Thailand) PCL, a licensed securities company that is authorised by the Ministry of Finance, regulated by the Securities and Exchange Commission of Thailand and is a member of the Stock Exchange of Thailand. The Thai Institute of Directors Association

has disclosed the Corporate Governance Report of Thai Listed Companies made pursuant to the policy of the Securities and Exchange Commission of Thailand. RHB Securities (Thailand) PCL does not endorse, confirm nor certify the result of the Corporate Governance Report of Thai Listed Companies.

Indonesia

This report is issued and distributed in Indonesia by PT RHB Sekuritas Indonesia. This research does not constitute an offering document and it should not be construed as an offer of securities in Indonesia. Any securities offered or sold, directly or indirectly, in Indonesia or to any Indonesian citizen or corporation (wherever located) or to any Indonesian resident in a manner which constitutes a public offering under Indonesian laws and regulations must comply with the prevailing Indonesian laws and regulations.

Singapore

This report is issued and distributed in Singapore by RHB Bank Berhad (Singapore branch) which is a holder of a full bank licence and an exempt capital markets services licence and financial adviser regulated by the Monetary Authority of Singapore. RHB Bank Berhad (Singapore branch) may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, RHB Bank Berhad (Singapore branch) accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact RHB Bank Berhad (Singapore branch) in respect of any matter arising from or in connection with the report.

United States

This report was prepared by RHB is meant for distribution solely and directly to "major" U.S. institutional investors as defined under, and pursuant to, the requirements of Rule 15a-6 under the U.S. Securities and Exchange Act of 1934, as amended (the "Exchange Act") via a registered U.S. broker-dealer as appointed by RHB from time to time. Accordingly, any access to this report via Bursa Marketplace or any other Electronic Services Provider is not intended for any party other than "major" US institutional investors (via a registered U.S broker-dealer), nor shall be deemed as solicitation by RHB in any manner. RHB is not registered as a broker-dealer in the United States and currently has not appointed a U.S. broker-dealer. Additionally, RHB does not offer brokerage services to U.S. persons. Any order for the purchase or sale of all securities discussed herein must be placed with and through a registered U.S. broker-dealer as appointed by RHB from time to time as required by the Exchange Act Rule 15a-6. For avoidance of doubt, RHB reiterates that it has not appointed any U.S. broker-dealer during the issuance of this report. This report is confidential and not intended for distribution to, or use by, persons other than the recipient and its employees, agents and advisors, as applicable. Additionally, where research is distributed via Electronic Service Provider, the analysts whose names appear in this report are not registered or qualified as research analysts in the United States and are not associated persons of any registered U.S. broker-dealer as appointed by RHB from time to time and therefore may not be subject to any applicable restrictions under Financial Industry Regulatory Authority ("FINRA") rules on communications with a subject company, public appearances and personal trading. Investing in any non-U.S. securities or related financial instruments discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in the United States. The financial instruments discussed in this report may not be suitable for all investors. Transactions in foreign markets may be subject to regulations that differ from or offer less protection than those in the United States.

DISCLOSURE OF CONFLICTS OF INTEREST

RHB Investment Bank Berhad, its subsidiaries (including its regional offices) and associated companies, ("RHBIB Group") form a diversified financial group, undertaking various investment banking activities which include, amongst others, underwriting, securities trading, market making and corporate finance advisory.

As a result of the same, in the ordinary course of its business, any member of the RHBIB Group, may, from time to time, have business relationships with, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants, and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or perform and/or solicit investment, advisory or other services from any of the subject company(ies) covered in this research report.

While the RHBIB Group will ensure that there are sufficient information barriers and internal controls in place where necessary, to prevent/manage any conflicts of interest to ensure the independence of this report, investors should also be aware that such conflict of interest may exist in view of the investment banking activities undertaken by the RHBIB Group as mentioned above and should exercise their own judgement before making any investment decisions.

In Singapore, investment research activities are conducted under RHB Bank Berhad (Singapore branch), and the disclaimers above similarly apply.

Malaysia

Save as disclosed in the following link [RHB Research conflict disclosures – May 2021](#)

and to the best of our knowledge, RHBIB hereby declares that:

1. RHBIB does not have a financial interest in the securities or other capital market products of the subject company(ies) covered in this report.
2. RHBIB is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of RHBIB's staff or associated person serve as a director or board member* of the subject company(ies) covered in this report
**For the avoidance of doubt, the confirmation is only limited to the staff of research department*
4. RHBIB did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. RHBIB did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report.

Thailand

Save as disclosed in the following link [RHB Research conflict disclosures – May 2021](#) and to the best of our knowledge, RHB Securities (Thailand) PCL hereby declares that:

1. RHB Securities (Thailand) PCL does not have a financial interest in the securities or other capital market products of the subject company(ies) covered in this report.
2. RHB Securities (Thailand) PCL is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of RHB Securities (Thailand) PCL's staff or associated person serve as a director or board member* of the subject company(ies) covered in this report
**For the avoidance of doubt, the confirmation is only limited to the staff of research department*
4. RHB Securities (Thailand) PCL did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. RHB Securities (Thailand) PCL did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report.

Indonesia

Save as disclosed in the following link [RHB Research conflict disclosures – May 2021](#) and to the best of our knowledge, PT RHB Sekuritas Indonesia hereby declares that:

1. PT RHB Sekuritas Indonesia and its investment analysts, does not have any interest in the securities of the subject company(ies) covered in this report.
For the avoidance of doubt, interest in securities include the following:
 - a) Holding directly or indirectly, individually or jointly own/hold securities or entitled for dividends, interest or proceeds from the sale or exercise of the subject company's securities covered in this report*;
 - b) Being bound by an agreement to purchase securities or has the right to transfer the securities or has the right to pre subscribe the securities*.
 - c) Being bound or required to buy the remaining securities that are not subscribed/placed out pursuant to an Initial Public Offering*.
 - d) Managing or jointly with other parties managing such parties as referred to in (a), (b) or (c) above.
2. PT RHB Sekuritas Indonesia is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of PT RHB Sekuritas Indonesia's staff** or associated person serve as a director or board member* of the subject company(ies) covered in this report.
4. PT RHB Sekuritas Indonesia did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. PT RHB Sekuritas Indonesia** did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report:

Notes:

*The overall disclosure is limited to information pertaining to PT RHB Sekuritas Indonesia only.

**The disclosure is limited to Research staff of PT RHB Sekuritas Indonesia only.

Singapore

Save as disclosed in the following link [RHB Research conflict disclosures – May 2021](#) and to the best of our knowledge, the Singapore Research department of RHB Bank Berhad (Singapore branch) hereby declares that:

1. RHB Bank Berhad, its subsidiaries and/or associated companies do not make a market in any issuer covered by the Singapore research analysts in this report.
2. RHB Bank Berhad, its subsidiaries and/or its associated companies and its analysts do not have a financial interest (including a shareholding of 1% or more) in the issuer covered by the Singapore research analysts in this report.
3. RHB Bank Berhad's Singapore research staff or connected persons do not serve on the board or trustee positions of the issuer covered by the Singapore research analysts in this report.
4. RHB Bank Berhad, its subsidiaries and/or its associated companies do not have and have not within the last 12 months had any corporate finance advisory relationship with the issuer covered by the Singapore research analysts in this report or any other relationship that may create a potential conflict of interest.
5. RHB Bank Berhad's Singapore research analysts, or person associated or connected to it do not have any interest in the acquisition or disposal of, the securities, specified securities based derivatives contracts or units in a collective investment scheme covered by the Singapore research analysts in this report.

6. RHB Bank Berhad's Singapore research analysts do not receive any compensation or benefit in connection with the production of this research report or recommendation on the issuer covered by the Singapore research analysts.

Analyst Certification

The analyst(s) who prepared this report, and their associates hereby, certify that:

(1) they do not have any financial interest in the securities or other capital market products of the subject companies mentioned in this report, except for:

Analyst	Company
-	-

(2) no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.



KUALA LUMPUR

RHB Investment Bank Bhd

Level 3A, Tower One, RHB Centre
Jalan Tun Razak
Kuala Lumpur 50400
Malaysia
Tel : +603 9280 8888
Fax : +603 9200 2216

JAKARTA

PT RHB Sekuritas Indonesia

Revenue Tower, 11th Floor, District 8 - SCBD
Jl. Jendral Sudirman Kav 52-53
Jakarta 12190
Indonesia
Tel : +6221 509 39 888
Fax : +6221 509 39 777

BANGKOK

RHB Securities (Thailand) PCL

10th Floor, Sathorn Square Office Tower
98, North Sathorn Road, Silom
Bangrak, Bangkok 10500
Thailand
Tel: +66 2088 9999
Fax :+66 2088 9799

SINGAPORE

RHB Bank Berhad (Singapore branch)

90 Cecil Street
#04-00 RHB Bank Building
Singapore 069531